Economy in Maharashtra

Introduction:

Maharashtra's contribution to the Indian Economy is high and hence it is called as the Power House of India. Maharashtra contributes to less than ten per cent of the total population of the country, but accounts for nearly one-fourth of the gross value of India's industrial sector. The state has succeeded in achieving high levels of industrialisation, demonstrated by the fact that the secondary and tertiary (manufacturing and service) sectors provide 78.8 per cent of Maharashtra's gross domestic product, as compared to the national average of 65.4 per cent for the same fields.

This high level of industrialisation is also reflected in the per capita income in the state, which stands at approximately Rs.17,295, as compared to a national average of Rs.10,771. Maharashtra contributes to almost 14.7 per cent of India's gross domestic product and 15.1 per cent of the national income. The state also accounts for nearly 40 per cent of the total tax collections in the country.

The industrial powerhouse of India, Maharashtra occupies a prominent place in the country's economy. Mumbai, the commercial capital of the country, has the presence of all the leading industrial / corporate houses of the country.

Background: Maharashtra’s Economy:

State economy has faced declination in the agriculture sector while there is steady growth in industry and service sector.

- Agriculture sector saw a volatile growth in last four years. The sector shows negative growth of 11.2% and 4.6% in 2014-15 and 2015-16 respectively. However the sector is estimated to see 12.5% growth in 2016-17 owing in increased rainfall.
- Industry sector saw a steady positive growth, with highest growth of 7.5% in 2015-16.

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- Service sector saw a steady growth among all the sectors of the economy. Further, the growth of the sector has been increasing over time, from 8.1% in 2013-14 to 10.8% in 2016-17.

Agriculture:

The unpredictable rainfall and scarcity of rain in many areas of Maharashtra continues to be a hurdle in the agricultural development in the state. Many measures have been adopted to fight the menace of deficit in foods such as hybrid seed use, irrigation pump electrification, and cultivation in an efficient manner and farmers being given incentives. In India, the state has the distinction of having the largest production of sugarcane. Area under crops is dominated with the products of pulses, millet and jowar. Rice is found in regions receiving more than 40 inches of rainfall, while wheat is found in places where soil keeps moisture. Regions where rainfall is heavy, the important crops are peanuts, tobacco and cotton. Orchard crops of popularity are cashew nuts, oranges, bananas and mangoes.

Resources and Power

Mineral resources in Maharashtra are mostly found in districts in the eastern part and produce coal, manganese, limestone, bauxite, copper, common salt and silica sand, while a few areas in the west also have this facility. Chandrapur, Nagpur and Bhandara regions are having lots of bituminous variety of coal. Deposits of oil below the sea have been discovered in 1970s near Mumbai and their exploitation has helped with the growth of city's economy with national importance. Reserves of timber are also found in the mountainous regions of the state.

Thermal and hydroelectric stations are able to cater to the power demands of the state. Near the cities of Chandrapur and Nagpur, many power plants of large scale are having coal supplies. Tarapur nuclear facility for power is credited with being the first power plant from nuclear products and is found about 70 kms from Mumbai towards the north.

Manufacturing

In Maharashtra, cotton textiles are probably the largest and the oldest set ups of manufacturing industry. Places like Mumbai, Solapur, Nagpur, Amravati and Akola

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are known for these factories. Woolen products are seen more in Solapur and Nagpur. Agriculture is traditionally an important sector in Maharashtra mostly in the areas of Dhule and Jalgaon, with Dhule being known for processing of edible oils, Kolhapur, Sangli-Miraj industrial area for sugar refining and Ahmadnagar. Canning of fruits and their preservation for transport is seen mostly in Bhusawal, Nagpur, Mumbai and Ratnagiri. Products manufactured from environment forests, such as bamboo, timber, tendu leaves and sandalwood are found in many places in Maharashtra. Small scale units for food grains processing is found in many places also.

The complex of Pune and Mumbai is known for heavy industrial concentration, aided by advanced technology. When in 1976, the first oil wells in the off shore region were set up as part of the petrochemical sector, the rapid rise of this sector has been evident. Various other important industrial outputs like agricultural implements, oil refining, rubber products, equipments for transportation, lathes, compression machines, machineries for sugar industries, refrigerators, type writers, televisions and other electronic equipments like radios.

Eastern part of the state has cities like Bhandara, Chandrapur and Nagpur are areas with coal used industries, besides the units involved in production of ferroalloys, iron ores and manganese as well as cement. Thane and Aurangabad are also hubs for industrial development.

Most Effective Cities and their Contributions

Mumbai is said to be the financial capital of India as well as the capital of Maharashtra. It has the headquarters of many financial organizations, banks with major spread, insurance sectors, airlines and even the oldest stock exchange of Asia is present in Mumbai, known as Bombay Stock Exchange. Various software campuses have been established in Nagpur, Aurangabad, Navi Mumbai, Pune and Nasik. Maharashtra has grown on to secure the second place in terms of export of products from software industry, with more than 18,000 crores annually. This is probably around 30% of the total exports in software in the country, with about 1200 organizations having been found in the state. The port of Navi Mumbai, Jawaharlal Nehru Port is the busiest in the country. Busiest airport in India, as well as in South Asia, in terms of volume of passengers is the Shivaji International Airport in Mumbai.

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Pune has also grown on to establish itself among the top 10 best cities of the country. Known for the IT companies and educational institutions, Pune is also named as Oxford of the East, purely based on the high level of education, mostly catered to by University of Pune.

Maharashtra coast has become a recognized place for building ships since long. Various companies have their operations in shipyards such as Rajapur Shipyards in Rajapur and Bharati Shipyard in Ratnagiri, apart from the Mazagon Dock Limited in Mumbai, which is government owned.

The largest in the world, Bollywood is the film industry of India, found in Mumbai. Maharashtra also has the distinction of being the first state to generate electricity from coal and electricity from nuclear action, both these having about 13% and 17% shares respectively. Jatropha is being cultivated nowadays in large scale, where the project has been launched to identify sites for such plantations.

In the district of Ahmednagar, there is a village known as Ralegan Siddhi, which has become an environmental conservation model.

Foreign Money Involvement

In Nagpur, a cargo hub of international proportions is coming up, the Multi-modal International Cargo Hub and Airport or MIHAN. This project aims to handle cargo of heavy nature, especially being imported from Middle East Asia and South East Asia. This project is also aimed to provide 10,000 crores of Indian rupees to develop the Special Economic Zone or SEZ for many companies dealing in IT technology. Till date, this development project would be probably the largest one in India.

Many foreign and Indian automotive companies are present in Maharashtra such as General Motors India, Fiat, Audi, Bamford, Mercedes-Benz, Mahindra and Mahindra, Tata, Skoda Auto and Volkswagen. Most of the well-known IT companies of India have their presence in Pune, making it an IT hub, prominent being Wipro, TCS, Honeywell, Tech Mahindra, Infosys, IBM, Microsoft and Cognizant.

Infrastructure:

Development and management of infrastructure are key aspects for sustainable development and prosperity of society. Infrastructure is an accelerator of the

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economic growth as it directly impacts quality of life. The physical infrastructure mainly comprises of power, transport and telecommunication which in turn supports trade & industrial development.

As Mumbai has well planned transport, power and airport results in it have been main centre of trade and commerce for pasts. Chhatrapati Shivaji International Airport of Mumbai is considered to be the busiest airport in the world. The state has also well connectivity of train and buses to major trading port and ports in the state.

Main Features of Budget of Maharashtra (2017-18)

Main Features:

D E M O N I T I S A T I O N :

- Bold and decisive measure to curb tax evasion and parallel economy
- Government's resolve to eliminate corruption, black money, counterfeit currency and terror funding
- Drop in economic activity, if any, to be temporary
- Generate long term benefits including reduced corruption, greater digitisation, increased flow of financial savings and greater formalisation of the economy
- Pace of remonetisation has picked up and will soon reach comfortable levels
- The surplus liquidity in the banking system will lower borrowing costs and increase the access to credit

R O A D M A P & P R I O R I T I E S

- Agenda for 2017-18 is : "Transform, Energise and Clean India" – TEC India
- TEC India seeks to
    - Transform the quality of governance and quality of life of our people;
    - Energise various sections of society, especially the youth and the vulnerable, and enable them to unleash their true potential; and
    - Clean the country from the evils of corruption, black money and non-transparent political funding.

FARMERS

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